The Loan-Office: Or,

An Advantageous METHOD of Extricating the Nation out of its Present Difficulties.

Humbly Proposed by Thomas Whately.

Abridg'd and Accommodated to Our Present Circumstances.

Reader,

I Offer here, within a narrower compass, a Short View of the Main Design of my Former Paper, cutting off such things as are not so directly to the purpose, and which were indeed at first intended for more Ends than what I am now pursuing; omitting Objections, Illustrations, &c. *for which I refer to my former Paper. I now aim at Brevity, and therefore repeat no more than barely what is necessary, in order to be understood. The Advantages I desire the Reader to see there more at large. As for what are here added, namely, the five last Advantages, some of them I had not the boldness to publish then, fearing they might appear too extravagant, and possibly they may now be censur'd for such, particularly the Eighth and Ninth; which if they seem somewhat obscure and intricate, consider that this Paper would not admit of long Illustrations and Deductions; and therefore, (till you shall have proved the contrary) suppose me able to give a Reason for what I have said.*

I. The Proposals.

I. THAT in every Corporation and Market-town (to be named) be erected an Office, under the Government and Direction of (Persons to be named) to be Receivers of and Trustees for such Mony as being appointed to be changed, shall be offer'd to them, and of such Plate as shall be brought in to them for the Mint,——And to convey the same to the *Exchequer* or *Mint*. And, that a Tally of the Sum total be deliver'd there for the use of every such Office. This Office may be call'd the *Loan-Office* or *Market-Bank* of that place.

II. That there be fixed in every Bank-town a *King's Receiver*, to whom the Collectors of the Adjacent Parishes shall return their Collections.

III. That the Bank deliver to every Person concern'd, a Bill or Bills for the Mony and Plate; and, that such Bills be assignable by Endorsement or Transfer in the Bank. And that no person of a fixed Habitation within ten miles of the Bank, sue any person for any *Debt* not exceeding his Bills, if he offer to transfer them (except for *Debts* upon Bonds and Leases) till — (a time to be named within which time all the Mony may be supposed to be return'd in current Coyn).

IV. That the Mony and Plate be returnable to the Banks in current Coyn within a time or times to be named, and be distributed from thence to the persons concern'd, bringing their Bills. But,

V. That every *Loan-Bank*, upon a Security to be given by Parliament, may have a liberty to continue their Mony, or some part of it, (saving every man's Right) as also to lend what more they please, not exceeding a certain Sum, at a certain Interest.

VI. That the Receiver (*Prop.* II.) pay the Bank their Interest quarterly, and Principal at such time or times as the Parliament shall appoint. And that the Acquittance of that Bank be passed in his Accompts.

VII. That none of these Banks be dissolved till all their Mony be returned; and that the Tax or Security be continued till every Bank be paid.

VIII. That these Loan-Bills be payable in all Taxes from any Parish annexed to that Bank.

IX. That any person may transfer any *Tally* for Mony lent to the King from the *Exchequer* to any of these Loan-Banks.

X. That these Banks have (under some general restrictions) a liberty of making By-laws of *Regulation, &c.* for the facilitating their own Accompts, the securing the Right of particular persons, and serving their Occasions by giving them a liberty to draw out their Principal, without a necessity of sinking the Principal of the Bank, or disturbing the Accompts of the *Exchequer*, any more than if the whole Bank was but one Man.

II. The Advantages.

I. These *Loan-Banks* create a Credit highly serviceable, and no ways dangerous or prejudicial, being exactly proportion'd to the *Loans* and *Debts* of the Nation, and not exceeding them; whereby the Nation is doubly serv'd, the King by the Loans, and the People by the Credit created by the Loans: So that 100*l.* doth the real service of 200*l.* A Credit that can never exceed its Principal. And as for Paper-Credit, 'tis no more Paper-Credit than the *Tallies* of the King's *Exchequer*, the several *Bills* of every Loan-Bank being indeed but *one* larger *Tally* divided into several lesser *Shares* or *Parts*. A Credit placed on a very sure Bottom an Act of Parliament; the *Tax* is the Fund of Credit, the Receiver in every Bank-town the Paymaster [*Prop.* 6, 7, 8.] A Credit which the Parliament can neither want Means nor Arguments to establish beyond all Objection, and which, when once establish'd, can never be in danger of being subverted, unless we can suppose a Parliament to come that shall have no regard either to their Soveraign, the publick Interest, and the Rights of particular persons, and the Welfare of the places they represent; All which, they will manifestly see, must be great Sufferers by any Injustice or Injury done to these Banks: as were easie to make evident, would this Paper admit of Argumentations. *See more Pag.* 5. 6.

II. These Banks will cause the Nation to thrive, as appears *P.* 6. to which much more might be added.

III. They will prevent the hoarding up of Mony, *P.* 6.

IV. They will save more Charges, both to King and people, than I can now mention.

V. They may, in time, lead us to a Method better than any yet found out, of employing and providing for the Poor; as is briefly hinted *p.* 8.

VI. By a Communication that may be setled between these Banks, an easie and secure way of transmitting Mony may be open'd, to the great convenience of such persons as shall have occasion to make use of them for that purpose.

VII. By these *Loan-Banks* (their Credit being establish'd) Taxes may be made very easie. See at large, *p.* 6, 7.

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To these Advantages already named in my former Paper, I'll for the present only add these Five Following.

VIII. These Banks will enable the Nation to carry on a War with ease, though of long continuance.

Suppose the Taxes of one Year amount to Five Millions of Money: they will be sufficient security to raise the King by way of Loan, what his occasions shall require that year, and to encourage the Banks to continue their Principal if allowed so to do: Whence it will follow, that, the King being supplyed by the Loans, and the People satisfyed with the Credit created by the Loans, and the Banks contented with their Interest, all the Surplusage of the Five Millions above the Interest, will remain as it were in Stock at the Parliaments disposal for the next years Occasions.——And that without a necessity of continuing the Burden of the Taxes; for (unless future occasions require a much greater Supply) the Five Million *Tax* may be sunk so low as only to pay the Interest of the Loans with a Surplusage sufficient to maintain the Credit: For the People will never distrust the Fund well settled by Parliament, while they find that the Money raised among themselves doth return them their Interest with a sufficient security that it always will do so. Four *per Cent.* is granted to the Orphans of *London*; but it is doubted that the Fund will not answer Four *per Cent.* whereas were People secured, that the Fund would answer Six *per Cent.* the Orphans Money at Four *per Cent.* would be a desireable Purchase.

IX. These Banks (the Credit being well establish'd) will pay all the Debts of the Nation when the War is over, and make considerable Advantage of them too. When they have served the Nations Occasions, abate the Taxes till they will only pay Interest with a Surplusage sufficient to support the Credit. And if the Parliament declare that from —— (a convenient time to be named) the Principal shall not be paid to the Banks, till some further Provision be made for it; but give a good Security for the Interest, with provision that that Security shall be continued till the Principal be payd, this Credit will be so valuable (the Mony there being exempt from Taxes) that it will not want Purchasers.

Suppose the worst, the Nations Debts to be *Ten Millions*; by this Method, the Credit created thereby will be likewise *Ten Millions*. A continued Tax of *One Million* will be sufficient both to pay the Interest and ensure it; such a Continued *Tax* will be no Burden to the Nation, but a great Advantage: For,

1. The People pay the *Tax*, and the *Tax* returns back the Interest of the Principal again to the People; so that the Payment of the Interest simply considered, is neither Loss nor Gain to the *Nation*.

2. The Surplusage above the Interest remains in stock for the service of the *Nation*, at the dispose of Parliament, and may be so imployed, as to be an Advantage and no Detriment to the *Nation*.

3. This continual *Tax* that is no Burden to the *Nation*, doth perpetrate *Ten Millions* of Credit; thus *One Million* that indeed is nothing to the *Nation*, continues *Ten Millions* of Money in Value, if you suppose the Debt so great.

Q. 1. *Whether Adviseable (if we were able) to raise a Tax of Ten Millions to pay the Nations Debt, when at the same time Ten Millions of (at least) as valuable a Credit is destroyed thereby.*

Q. 2. *Whether then this Method doth not clearly gain the supposed Ten Millions?*

4. From this *Tax* continued, arises likewise the following Advantage.

X. These Banks perpetuated will be in a readiness upon any exigency to raise all at once, as much Money, as we can suppose will ever be required: For to these Banks already on foot, (their Credit being now well established and their Advantages experienced) let there be added some additional Security, every one will be for crowding his Money into them, glad of the opportunity of disposing it to better security and higher Interest, than can readily be found elsewhere. Whence it will follow,

1. That the *Taxes* will not lye so heavy upon the Subject; Land, upon which the greatest part of the Burden is now laid, will be much eased, and consequently every Landed Mans Estate improved.

2. The Sums so raised will do the King near double Service; filling his Exchequer with Ready Money, none of which is ever drawn back again to pay either Interest or Principal. That the *Tax* doth gradually as it rises. So that if we may so say, without a Solœcism, the King borrows Money without running in Debt. Thus the King would never be disappointed by the failure of *Taxes*, nor forced to run in Arrears; and of this the Fleet and Army would find the Advantage, and Perhaps make our Enemies feel the Consequence.

XI. This Method here Proposed, or something like it, under our present Circumstances, seems not only expedient, but absolutely necessary, upon more accounts than one. To name nothing but what is very obvious, *viz.* the preventing the stop of Commerce, relieving the poorer sort of People, and silencing their Clamours, which without a created Credit (for some time at least) will be hard to be done. To this purpose I need only use the Words I find in a late Paper, written by a Hand unknown to me, Entituled, [*A Word in Season about* Guineas, *and the Poor's Clip'd Money.*]

I bear of no Provision made in the Coin-Act for those who are unable to lend to the King; these are Numerous their Necessities are great, they will be Clamorous, our Enemies will improve it, and the Consequences may be very to the Kingdom. Why might not every Parish or Hundred be obliged to take from the meaner People and Poor, their base Silver Money, and give them Credit for it at present, and New Coin when they can? The said Parish or Hundreds may pay their Taxes with it, and lend to the King, whereby they will be repaid in New Money.

All this may be done with Ease, and with little or no Charge, and it will prevent the putting Guineas upon the meaner and poor People at Thirty Shillings, which when they come to lose by (as they must) will renew the Necessity and Complaints, and then our Enemies will put the Nation into a second Ferment, more dangerous than the first and at a worse Time when the King is absent, and no Parliament Sitting.

XII. And lastly, if these Banks would be always of great advantage, never could there be a time wherein they would be more so than now, nor a more proper Season to try the Experiment of them. First, we have now a fairer Opportunity than could have been wished, of laying the Foundation, *viz.* the Calling in of the Bad Coyn, some Gleanings whereof are still left, and the Encouragement likely to be given to the bringing of Plate for the Mint.——And Secondly, We have now a proper Season; when we have now born the Burden of a long and expensive War, this Method may come very seasonable to our relief, and may put a quick Dispatch to those tedious Debates about *Ways* and *Means*, which have often cost so much Time, and been so Prejudicial to Publick Affairs. For, the Foundation laid by Parliament this Session, they may build upon the next for the Proposed Advantages can ne'r be expected from the Banks the first year. And it may be worth our while to let our Enemies know, that we are Resolv'd Our KING shall Never want Mony; and therefore are preparing a Way to Supply his Occasions, and yet without Wanting for our selves, and that we shall never be weary of the War, nor Losers at the end of it.

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